

**In the Matter of:**

<sup>1</sup> Case No. 90-030, Order dated September 17, 1990.

applicable tariff rate to certain industrial customers in order to meet alternate fuel competition and to retain industrial load on its system. Western provided copies of correspondence sent to the Commission regarding these rates and "special contracts." While correspondence does not constitute a tariff filing, Western did inform and attempt to seek the Commission's approval of its plans to reduce rates to certain industrial customers. The Commission finds that Western was operating in good faith regarding these rate reductions.

Western's other customers have not been adversely affected by the rate reductions. In fact, Western attributed a benefit in the amount of \$1,779,039 credited to gas cost. Due to the operation of Western's gas cost adjustment clause, this amount probably would have been borne by the other customers if the industrial customers had switched to alternate fuel or left the system entirely.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. Western did not willfully violate the provisions of KRS 278.160.
2. Western should not be subject to the penalties of KRS 278.990.

IT IS THEREFORE ORDERED that this case be and it hereby is dismissed.

Done at Frankfort, Kentucky, this 31st day of October, 1990.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director